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DEVELOPMENT

PROGRAMME

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DP/PROJECTS/7225

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF SRI LANKA

IPF:(1987-91) $(1992-96) $56 300 000

(SRL/91/018) - Improving Customs Administration through Computerization

Date of approval by the AC:[1/]	5 February 1992
Expected duration:	Two years
Proposed Co-operating agency:	UNCTAD
Government implementing agency:	Department of Customs (Ministry of Finance)
Proposed UNDP contribution:	$1 230 000 Source of funds: IPF
Total UNDP budget:	$1 230 000

Project background

The IMF, during a mission to Sri Lanka in November 1990, recommended to the Government a reform of its Customs Department within the framework of the Government's restructuring of public administration. As customs revenue accounts for more than 45 per cent of Government revenue, streamlining of the revenue generation process and elimination of waste and fraud is vital to maximizing revenue.

Furthermore, under the liberalized trade policy of the Government, the scope for reducing tariff rates and providing tax holidays to encourage investment depends to a large extent on its ability to implement them without loss of revenue. Therefore, the Government requested UNDP assistance to assist in simplifying customs clearance procedures, through implementation of an Automated System for Customs Data (ASYCUDA), a fully integrated computer system developed by UNCTAD designed to improve customs duty and tax collection, and to speed up customs operations. The above-mentioned project is part of an overall Government programme to improve the administration of tax collection which is being supported by IMF.

Description of project

The development objective of the project is to maximise the revenue of the Customs Department and to increase its efficiency and effectiveness through the introduction of an Automated System for Customs Data (ASYCUDA). The project is intended to introduce improved customs procedures including a computerised system for processing customs documentation to increase efficiency, speed-up the clearance of cargo, maximise revenue receipts and provide improved customs and trade information.

The expected outputs of the project are;(a) customs officials trained in automated customs techniques; (b) installation and configuration of the ASYCUDA software package; (c) introduction of rationalized and simplified customs procedures; (d) installation of the computerized system at the customs headquarters;(e) introduction of the new customs system at the Colombo seaport; and (f) preparation of an implementation plan for ASYCUDA manifest management at the Colombo airport.

Inputs

UNDP will provide 24 work-months for a customs expert, 14 work-months for an EDP

[1/] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

expert, six work-months for a trade facilitator, three work-months for a statistician; ASYCUDA training for customs managers and officers and training of two customs officers abroad as programmers; and equipment including a project vehicle and computer equipment.

Financial data

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Personnel	495 000
Training	255 000
Equipment	440 000
Miscellaneous	40 000
Total	1 230 000

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